

## M/LLW Container Procurement Strategy Development



The benefits of using GSA include, but are not limited to:

- GSA performs all Federal Acquisition Regulation (FAR) requirements
- All DOE sites benefit from economies of scale.
- Drum specification allows flexibility for site needs.
- No formal solicitation required.
- Reduced procurement lead-times.
- Teaming arrangements.
- Specific procurement liabilities would be assumed by DOE.
  - Cons
    - ◆ GSA does not perform supplier evaluations.
    - ◆ DOE sites may perceive that they are losing their independence and flexibility

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The DOE Sites will be responsible for the following activities:

- Communicate site requirements with the CFP point of contact
- Support the proposed DOE-National Transportation Program Supplier Evaluation Program
- Purchase scheduled commodities directly from the contractual GSA vendor
- Perform Quality Control incoming inspections on drums from GSA vendors
- Store and warehouse drums
- Negotiate JIT contracts
- Specify shipping terms based on DOE-negotiated rates

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### 10. Recommendations

The study Group recommends that DOE optimize a procurement process for supplying M/LLW drums to DOE sites by implementing the following recommendations:

1. Establish a CFP to coordinate development of standard specification and supplier evaluations, and to communicate and negotiate procurement efforts with the GSA.

***Responsible Organization: NTPA***

***Estimated Duration: three months***

***Estimated Cost: \$60K for development + ½ Full-Time Equivalent (FTE) to maintain CFP***

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### **10. Recommendations (cont'd)**

2. Establish a pilot program for drum procurement and create a standardized family of drum specifications for 30-, 55-, and 85-gallon, open-head, carbon steel drums. (See Appendix B for recommended drum attributes).

***Responsible Organization: NTPA***

***Estimated Duration: two months***

***Estimated Cost: \$5K***

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### **10. Recommendations (cont'd)**

3. Establish and implement a supplier evaluation program as recommended by contractors' PMC. (See Appendix D for recommendation.)

***Responsible Organization: NTPA***

***Estimated Duration: six months***

***Estimated Cost: \$50K to develop and \$20/evaluation***

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### **10. Recommendations (cont'd)**

4. Implement Option 2 – Procurement through GSA Procurement Schedules for 30-, 55-, and 85-gallon, open-head, carbon steel drums. To implement this option, the following actions need to take place
  - a. Sites should establish container needs and coordinate these needs with the CFP.
  - b. Incorporate the use of GSA schedules and supplier evaluations into the draft of DOE Order 460.2

***Responsible Organization: NTPA***

***Estimated Duration: six months***

***Estimated Cost: Cover in Cost of CFP***

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### 10. Recommendations (cont'd)

5. Contractors should obtain the best transportation costs by either using DOE preferred carriers or supplier's carriers.

***Responsible Organization: NTP in coordination with Transportation Management Council***

***Estimated Duration: TBD***

***Estimated Cost: TBD***

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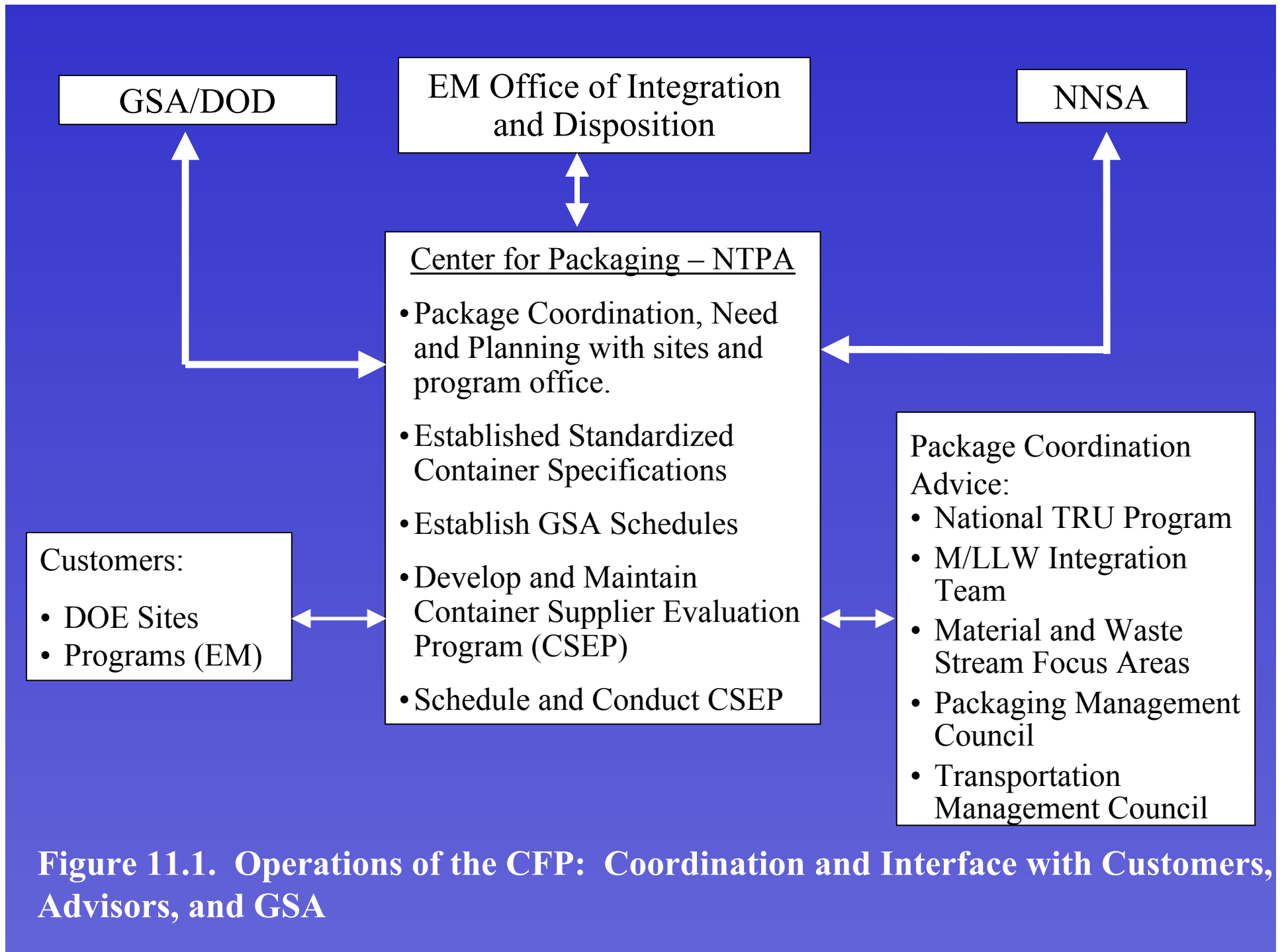


### **12. Barriers**

The Study Group anticipates the following barriers to the implementation of the above recommendations:

1. Program Office and site resistance to standardization due to perceived loss of flexibility and increased dependence on others.
2. Unless contractually required, sites may continue to autonomously audit vendors due to corporate liabilities and previously issued Price Anderson Act (PAA) fines and violations.
3. Local container vendor's resistance to the concept of procuring drums from GSA Procurement Schedules.
4. Potential problems pertaining to changing/standardizing contracts.
5. Marginal increase in cost savings.





## Option 1 – Present Drum Procurement Process Status Quo

### Site/Lab

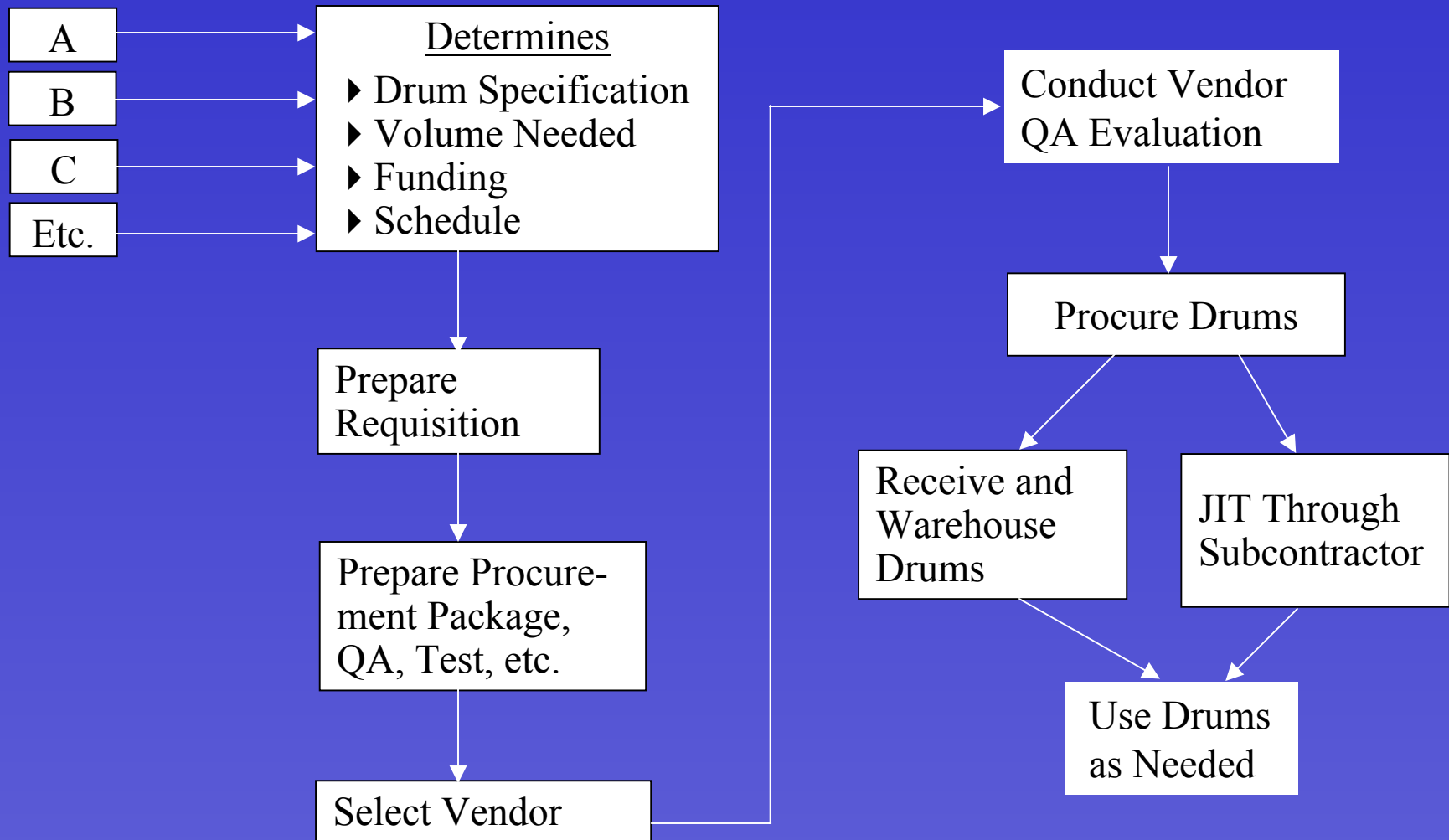
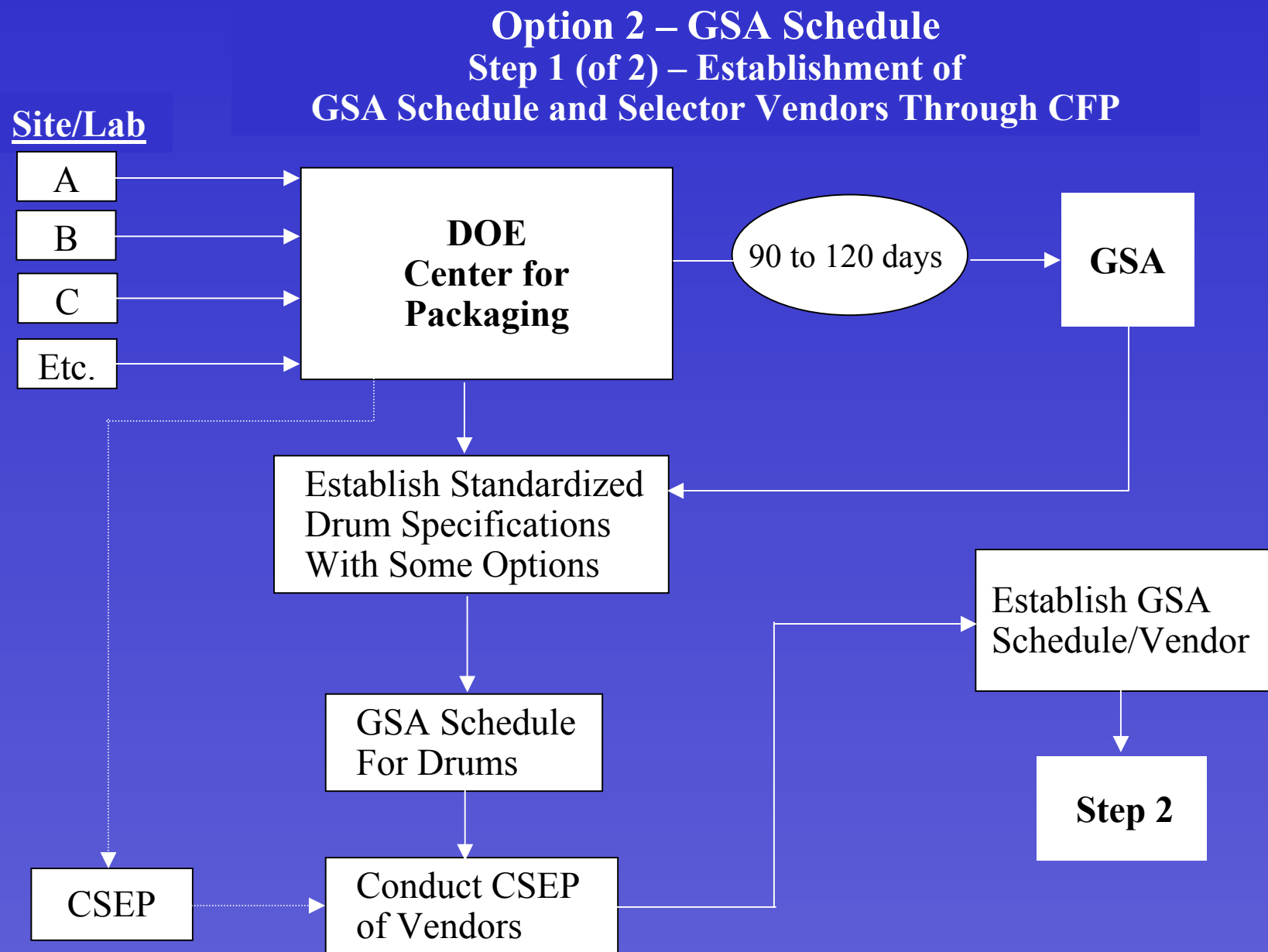


Figure 8.1. Present drum procurement process – Option 1



**Figure 8.2. Establishment of GSA schedule and selected vendors through CFP.**

## Option 2 – GSA Schedule Step 2 (of 2) – Site/Lab Responsibilities

### Site/Lab

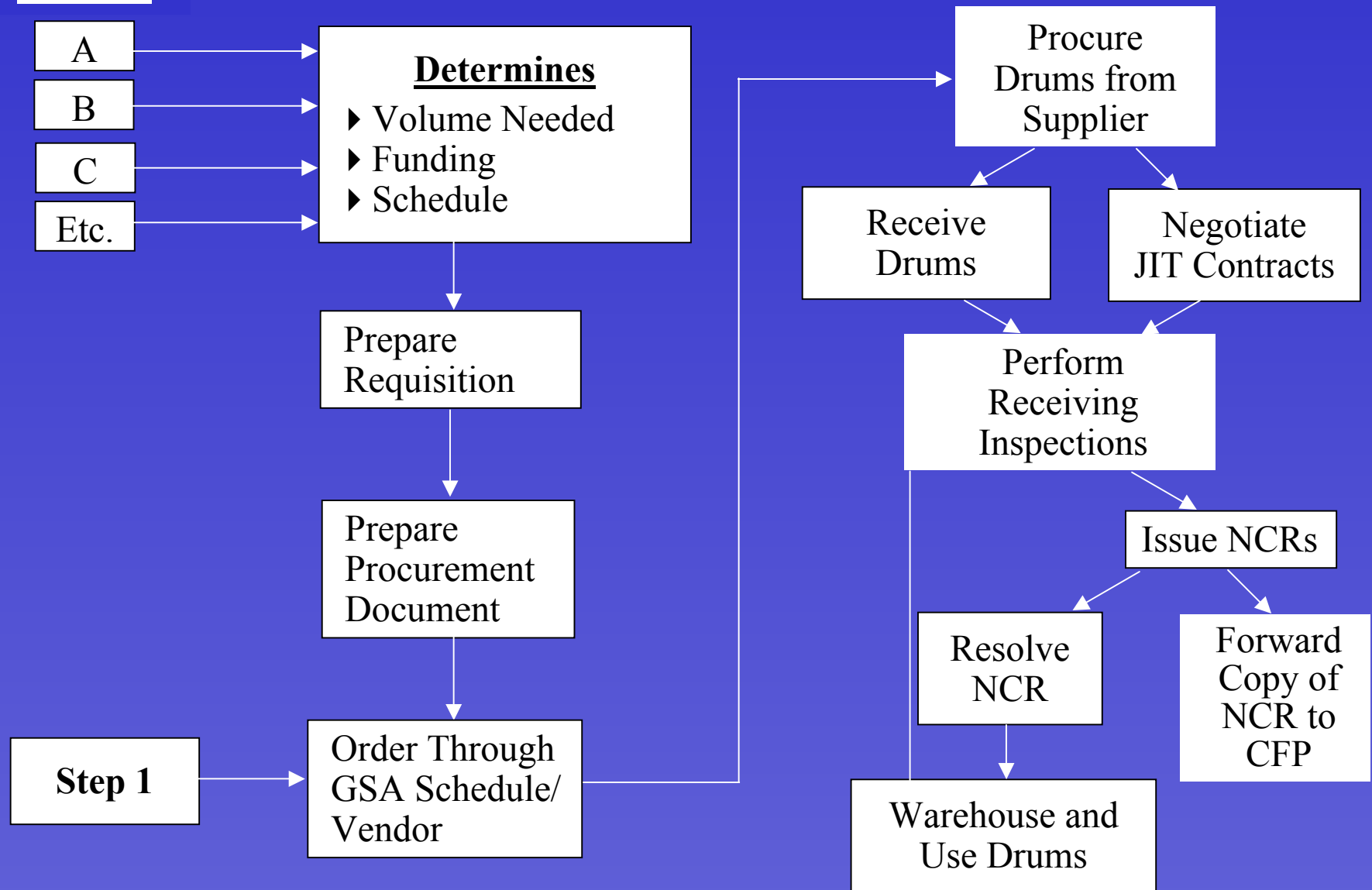


Figure 8.3. Present drum procurement process – Option 1

## Table 7.2. Projected drum cost savings summary

Category	Proj 2 Yr Need	Proj 2 Yr Drum Only Cost	Proj 2 Yr GSA Costs	Proj 2 Yr Savings	Proj 10 Yr Need	Proj 10 Yr Drum Only Cost	Proj 10 Yr GSA Costs	Proj 10 Yr Savings	% Savings
30 G Type A	17872	522,199	517,037	7,513	89,360	2,610,944	2,585,185	37564	1.4%
55 G Type A	63,402	2,619,040	2,359,188	259,852	317,010	13,095,199	11,795,942	1,299,257	10%
85 G non- Type A	1168	74,959	70,746	5,276	5,840	374,796	353,729	26,379	7.0%
<b>Total</b>	<b>82,442</b>	<b>3,216,198</b>	<b>2,946,971</b>	<b>272,641</b>	<b>412,210</b>	<b>16,080,989</b>	<b>14,734,856</b>	<b>1,363,200</b>	<b>8.5%</b>